

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF JULY 2008

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07/02/08	MortgageServ Access/Separation of Duties	S/D
07/03/08	Community Facilities Guaranteed Loan Program Guidance on the Estimated Loss Claim in Liquidation Cases	S/D
	Servicing Requirements for Community Facilities Guaranteed Loans	S/D
07/07/08	Linda D. Burek Chief Information Officer	S/D & N.O.O.
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	Intermediary Relending Program Third Quarter Funding Fiscal Year 2008	S/D
07/24/08	Rural Economic Development Loan and Grant Program Projects Funded for Third Quarter Fiscal Year 2008	S/D
	Rural Business Opportunity Grant Program National Office Reserve Fiscal Year 2008 Funding Selections	S/D

Dated	Subject	Distribution
07/25/08	Federal Competency Assessment Tool for Human Resources Professionals	N.O.O.. & S/D
	Leadership Assessment	N.O.O. &, S/D
07/30/08	2008 Fiscal Year Performance Appraisal Rating Period and Performance Awards	S/D & N..O.O.

July 2, 2008

TO: State Directors
Rural Development

ATTN: Single Family Housing Program Directors

FROM: Philip H. Stetson (*Signed by Phillip H. Stetson*)
Acting Deputy Administrator
Single Family Housing

SUBJECT: MortgageServ Access/Separation of Duties

Within MortgageServ there are now four Profile IDs associated with obligation and disbursement authorities that allow a combination of update and/or inquiry (view only) access. To ensure “least privilege” user access and adequate separation of duties, we need your assistance in getting the appropriate one of the following four Profile IDs assigned to each of your MortgageServ users.

Profile ID	RHCDS/Check Request or Cancel (Treasury)	RHCDS/Obligation Request Validation
30135	Update	Inquiry
30136	Update	Update
30235	Inquiry	Inquiry
30236	Inquiry	Update

A spreadsheet containing the following columns will be emailed to you: User Name, Teller ID, Organization Code, Loan Approval Authority (Y/N), Appropriate Profile ID, and Elevated Access Justification.

For each of your MortgageServ users, we ask that you indicate whether or not the user has Rural Housing Direct Loan and Grant Approval Authority.

EXPIRATION DATE:
September 30, 2008

FILING INSTRUCTIONS:
Housing Programs

Bearing in mind “least privilege” user access necessary to perform their job function and the need to separate duties, enter the Appropriate Profile ID (30135, 30136, 30235, or 30236) for each user. Do not assume that a user’s current Profile ID is the appropriate one; they may presently have more access than is appropriate.

Regardless of their job function, Profile ID 30136 should be considered cautiously and carefully since it allows the user to perform two highly sensitive functions which increases the risk for fraud and increases the risk that errors may go undetected. If you enter 30136 as the Appropriate Profile ID, you will need to provide **strong** justification for this elevated access for waiver consideration by the National Office.

If the user is marked as having loan approval authority and you believe they should be able to disburse and/or obligate (in other words you entered a Profile ID other than 30235), you will need to enter justification for this elevated access since these actions should be performed by a Loan Originator as outlined in Handbook-1-3550.

Again, Profile ID 30136 should only be entered if no other options are available. For example, if an office consisted of two users without loan approval authority and two users with loan approval authority, we would expect to see the following:

User Name	Teller ID	Organization Code	Loan Approval Authority (Y/N)	Appropriate Profile ID	Elevated Access Justification
JONES, ANN E	1000	1025	N	30135	
GEORGE, CHUCK D	2000	1025	N	30236	
DOUGLAS, MIKE F	3000	1025	Y	30135	Check Request Backup for Ann
SMITH, GALE M	4000	1025	Y	30236	Obligation Backup for Chuck

This spreadsheet must be completed and emailed to brooke.baumann@wdc.usda.gov and susan.self@stl.usda.gov no later than July 18, 2008. We apologize for the short deadline, but it is necessary to meet a response time to an Office of Inspector General’s concern.

Completion of this spreadsheet is a one-time process; future changes to Profile ID assignments will be processed through Logbook by your Information Systems Security Staff Point of Contact.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

July 3, 2008

TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Program

SUBJECT: Community Facilities Guaranteed Loan Program
Guidance on the Estimated Loss Claim in Liquidation Cases

The purpose of this unnumbered letter is to provide guidance to the Rural Development Community Programs Director and staff for actively pursuing submission of an estimated loss claim when a loss is expected to occur in connection with liquidation of a loan. Early payment of the estimated loss claim reduces the amount of accrued interest, due to the reduction of principal, if a final loss claim is paid. It improves case management and recovery on the debt through periodic evaluations and facilitates needed modifications to the liquidation plan.

It is the nature of community facility type loans that lenders participating in the program may only be financing one or two projects. While they may be active in other agency programs, they may not be familiar with Rural Development regulations as it pertains to the Community Facilities (CF) program. It is the agency's responsibility to educate the lender in anticipation of intensive servicing situations. The agency should build a working relationship with the lender by meeting frequently and discussing the lender's and the agency's responsibilities under the CF program.

Section 3575.94 of RD Instruction 3575-A authorizes the payment of an estimated loss claim based on the collateral value in a liquidation situation. Payment of the estimated loss claim will be based upon the fair market value of the collateral determined by a current appraisal of the collateral and only after the lender's liquidation plan has been submitted and approved by the Agency.

EXPIRATION DATE:
June 30, 2009

FILING INSTRUCTIONS:
Community/Business Programs

The lender's liquidation plan includes some important components that include obtaining a current valuation or appraisal and providing an estimate of expenses to be incurred in a liquidation situation. A guide to assist in the development of a liquidation plan is attached to this unnumbered letter as "Attachment A". The lender's liquidation plan is required within 30 days after the lender and Rural Development agree to liquidate the guaranteed loan. The lender and the agency should be able to recognize at that time, the possibility of the collateral being acquired by the lender. The liquidation plan must adequately address that possibility and include an aggressive marketing strategy to resell the acquired collateral. A more thorough discussion of the liquidation plan is contained in RD Instruction 3575-A, Section 3575.81(c).

When the lender has submitted and obtained approval of their liquidation plan, they may submit their estimated report of loss claim to the agency for processing. Payment of the estimated loss claim to the lender should be made within 10 days of receipt of the claim.

The time period between payment of the estimated loss claim and submission of the final loss is critical to successful resolution of a problem loan. The agency's relationship with the lender must be intensified to avoid drift and insure that the lender is moving forward according to their liquidation plan. The lender must actively market the collateral for a reasonable period of time, but no less than 6 months. The liquidation plan, should be revisited as often as necessary, but no less than every 90 days, by the lender and the state servicing official and amended, if necessary. If after a reasonable period of time, but no less than 6 months, the lender is unable to sell the collateral, then consideration should be given to holding discussions with the lender regarding submission of a final loss claim to the agency based on the fair market value of the collateral prior to its ultimate disposition. The final loss claim will be based upon the lender's actual cost and expense of acquiring, maintaining and marketing the property.

The loss occasioned by accruing interest will be covered to the extent of the guarantee to the date of final settlement provided the lender proceeds expeditiously with the liquidation plan approved by the Agency. Prompt payment of the estimated loss claim will substantially reduce the amount of any final loss claim paid.

Please distribute this unnumbered letter to your participating lenders. If you have any questions concerning this issue, please contact Kendra Doedderlein at (202) 720-1503.

Attachment

GUIDE FOR DEVELOPING A LIQUIDATION PLAN

This guide was developed to assist in the interpretation of the requirements of RD Instruction 3575-A, Section 3575.81(c). This format may not be all inclusive of information necessary to a liquidation plan. The agency must determine for each loan situation additional information required in the liquidation plan.

- 1) Such proof as the Agency requires to establish the lender's ownership of the guaranteed loan notes and related security instruments, a copy of the payment ledger or other documentation which reflects the outstanding loan balance and accrued interest to date, and the method of computing the interest.

The lender should provide as an attachment to the liquidation plan, a copy of the executed notes; copies of mortgages or deeds of trusts showing recordation in the appropriate jurisdiction; and the transaction history for the loan, showing the application of interest for each transaction based on when the payment was received. If the interest rate was a variable rate, the lender must include documentation of changes in the selected base rate and when the changes in the loan rate became effective. If any special accommodation was made to the borrower such as payment deferrals or interest only payments, they should be explained in this section and supported with copies of any executed agreements between the lender and the borrower.

- 2) A complete list of collateral.

The lender must identify the real property and personal property pledged as collateral.

- 3) The recommended liquidation methods for making the maximum collection possible on the indebtedness and the justification for such methods, including the recommended action for acquiring and disposing of all collateral.

The lender and the agency should have discussed prior to submission of this plan the best method for maximizing collection on the loan. This may include a voluntary transfer to an eligible or ineligible applicant or foreclosure by the lender to obtain title with extensive marketing to other interested parties. The lender should discuss why a particular method may be preferable, which may be due to cost, the amount of time it may take to accomplish or the unique nature of the project or situation.

- 4) Necessary steps for preservation of the collateral.

The lender should identify any additional cost or security requirements to protect the real or personal property from physical damage, theft or vandalism. There may also be expenses for utilities or continued maintenance to insure preservation.

- 5) Copies of the borrower's latest available financial statements.

The lender must provide the borrower's latest financial statements with the lender's written analysis as an attachment to the liquidation plan. If the financial statements are old, the lender should have been in contact with the borrower and can provide in a written discussion on the financial condition of the borrower.

- 6) An itemized list of estimated liquidation expenses expected to be incurred and justification for each expense.

The lender should have obtained estimates by attorneys, auctioneers and any other professionals with whom they will need to contract to maximize recovery on the loan. The expenses may not be limited to transfer or foreclosure on the property, but could include the cost of legal representation to protect our joint interest in bankruptcy or receivership. If bankruptcy or receivership is a consideration, then the agency should obtain guidance for their Regional Office of General Counsel.

- 7) A schedule to periodically report to the Agency on the progress of the liquidation.

The periods between payment of the estimated loss claim, foreclosure or transfer and the submission of the final loss claim is very critical. Now that the agency has paid the estimated loss claim, the lender must still move forward expeditiously to recover on the loan. The agency must maintain frequent contact with the lender and amend the liquidation plan, if necessary, due to a change in circumstances.

8) Estimated protective advance amounts with justification

Protective advances include, but are not limited to, advances made for taxes, annual assessments, ground rent, hazard and flood insurance premiums affecting the collateral (including any other expenses necessary to protect the collateral). The lender must provide written identification of any advances necessary to maintain services or address unique situations, and why the advance was necessary. If the lender has advanced funds without agency approval previously during the life of this loan, a written explanation should be provided, even though such expenditures or loans will not be guaranteed.

9) Proposed protective bid amounts on collateral to be sold at auction and a discussion of how the amounts were determined.

The lender should provide a detailed explanation of how protective bids were calculated. Copies of current appraisals or valuations must be attached to the liquidation plan and any deductions made to the fair market value of the collateral explained.

10) If a voluntary conveyance is considered, the proposed amount to be credited to the guaranteed debt.

The lender must provide a written discussion of the proposed amount to be credit to the guaranteed debt. This is especially important if the credit is for less than the outstanding balance on the loan.

11) Legal opinions, as needed.

Most often the lender will rely on their counsel to initiate foreclosure proceedings and to protect the lender's interest in other legal proceedings. The attorney, in preparation for any legal proceeding will verify lien positions which will show the priority of liens and encumbrances against the property. He will often provide a written legal opinion to the lender. The lender must provide a copy of their counsel's legal opinion as an attachment to the liquidation plan.

- 12) If the outstanding balance of principal and interest is less than \$250,000, the lender will obtain an estimate of fair market and potential liquidation value of the collateral. If the outstanding balance of principal and interest is \$250,000 or more, the lender will obtain an independent appraisal report on all collateral securing the loan which will reflect the fair market value and potential liquidation value. The independent appraiser's fee will be shared equally by the Agency and the lender.

The lender must provide a copy of the appraisal or valuation as an attachment to the liquidation plan. If the outstanding balance (principal & interest) is less than \$250,000 and the lender is providing a valuation, the lender should discuss how the valuation was determined and the expertise of the individual that is providing the valuation.

July 03, 2008

TO: All State Directors

ATTN: Community Programs Directors

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Rural Housing Service

SUBJECT: Servicing Requirements for Community Facilities Guaranteed Loans

The overall success rate for Community Facilities Guaranteed Loans continues to be very high and is reflective of your efforts to effectively manage the loan servicing aspect of program operations.

We recognize that the primary responsibility for servicing rests with the lender, pursuant to the Lender's Agreement and reasonable and prudent lending standards. In monitoring our servicing activities over the past year, however, there are several areas that need emphasizing in order to strengthen our overall servicing efforts, maintain a high success rate in our portfolio and reduce the potential for losses in the program.

Loan Reporting By Lender

The lender must report to the Agency the outstanding principal and interest balance on each guaranteed loan semiannually by use of Form RD 1980-41, "Guaranteed Loan Status Report". The Deputy Chief Financial Office (DCFO) will contact the lender by e-mail to complete the form on-line or the form will be mailed directly to the lender. If the form has not been completed on-line, the lender will complete the form and mail it back to the Rural Development state servicing office.

The Community Programs staff are to insure that the reports are submitted timely, that the reported loan balances are accurately entered into the Guaranteed Loan System (GLS); and, that a report has been submitted for all outstanding guaranteed loans in their state.

EXPIRATION DATE:
June 30, 2009

FILING INSTRUCTIONS:
Business/Community Programs

Financial Reports

The lender must obtain the financial statements required by the Loan Agreement. The borrower's annual financial statements must be submitted by the lender to the Agency servicing office within 120 days of the end of the borrower's fiscal year. The lender must analyze the financial statements and provide the Agency servicing office with a written summary of the lender's analysis and conclusions, including trends, strengths, weaknesses, extraordinary transactions, and other indications of the financial condition of the borrower. Additionally, when applicable, the lender will require an audit in accordance with Office of Management and Budget (OMB) circulars (available in any Agency office). Community Programs staff will review the financial statements and lender analysis to insure appropriate remedial action is taken, if necessary. This is a very critical aspect of servicing our portfolio. Appropriate follow-up is necessary to assure this aspect of servicing is fully met.

Requirements for Defaulted Guaranteed Loans

The lender must immediately notify the Agency when a borrower is placed on a watch list by the lender or other indicator of an intensive servicing situation, is 30 days past due on a payment, has not met its responsibilities of providing the required financial statements, or is otherwise in default. If a monetary default exceeds 30 days, the lender will arrange a meeting with the borrower within forty-five (45) days of the default to resolve the default. The lender will provide a written summary of the meeting and any decisions or actions agreed upon within ten (10) days of the meeting, to the Agency. The lender will continue to provide the Agency, at least on a quarterly basis, a written summary to include the cause of default, amount of default, and the remedial action necessary and being taken to cure the default. The lender will also report bimonthly using the "Guaranteed Loan Borrower Default Status" Form RD1980-44, until such time as the loan is no longer in default.

DCFO Notification

The State Director will notify the DCFO of any change in payment terms such as reamortizations or interest rate adjustments and effective dates of any changes resulting from servicing actions.

The State Director will also report quarterly to the National Office on all delinquent and problem loans, to include the cause of default, amount of default and the remedial action necessary to cure the default. The report will be in the suggested format shown as "Exhibit A," on the attachment.

Bankruptcy

The lender will inform the Agency immediately upon notification of a bankruptcy case and keep the Agency adequately and regularly informed, in writing, of all aspects of the proceedings, at a minimum, on a quarterly basis.

With your continued support and servicing efforts, we expect to see a continuing downward trend in the default rates and losses for the Community Facilities Guaranteed Loan Program. Please provide a copy of this unnumbered letter to your participating lenders. If you have any questions regarding the above, please contact Kendra Doedderlein, Senior Loan Specialist, Guaranteed Loan Division, Community Programs at 202-720-1503.

Attachment

***QUARTERLY DELINQUENCY REPORT
FOR NATIONAL OFFICE***

<u>BORROWER ID NO.:</u>	<u>BORROWER NAME:</u>		
_____	_____		
<u>LOAN AMOUNT:</u>	<u>LENDER:</u>		
_____	_____		
<u>GUARANTEED PERCENTAGE:</u>	<u>LOAN BALANCE:</u>	<u>TOTAL AMT. DELINQUENT:</u>	<u>TOTAL MONTHS DELINQUENT:</u>
_____ %	\$ _____	\$ _____	\$ _____

(If additional space is required to fully discuss the following items, please attach a separate sheet of paper.)

REASON FOR DELINQUENCY:

PLAN TO CURE DELINQUENCY:

**ESTIMATED TIME
TO CURE DELINQUENCY:**

OTHER RELEVANT INFORMATION:

COMMUNITY PROGRAMS DIRECTOR:

Signature

Date

STATE OFFICE:

STATE DIRECTOR:

Signature

Date

July 7, 2008

SUBJECT: Linda D. Burek
Chief Information Officer

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors
Human Resources Managers

I am pleased to announce the selection of Linda D. Burek, as Chief Information Officer for Rural Development, effective June 22, 2008.

Ms. Burek's previous appointment was with the Food and Drug Administration, Office of Policy, as the Project Manager of the Import Safety Action Plan. Previous to that, she led the FDA's IT Transformation Initiative to modernize the FDA's IT infrastructure to better meet FDA's mission requirements. Ms. Burek comes to us with a wealth of knowledge and experience in information and project management and has led successful information technology programs for large organizations.

Ms. Burek has a Bachelor of Science in Information Systems Management from the University of Maryland University College. She is certified by the Information Technology Infrastructure Library Foundation and is also a Certified Project Management Professional.

Ms. Burek can be reached at (202) 692-0212, or via e-mail at Linda.burek@wdc.usda.gov.

(Signed by Clyde Thompson)

CLYDE THOMPSON
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
July 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 7/9/08 at 7:30 a.m. by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

July 10, 2008

TO: State Directors
Rural Development

ATTN: Business Program Directors

SUBJECT: Processing and Servicing of
National Grantees and Intermediaries

Two State Offices have accepted the responsibility for processing and servicing of several national organizations with Rural Business Enterprise Grants and Intermediary Relending Program loans. These national grantees and intermediaries' headquarters are located within the jurisdictions of the Delaware and Mississippi State Offices.

The Delaware State Office is responsible for the Housing Assistance Council, the Local Initiatives Support Corporation and the Community Transportation Association of America. The Mississippi State Office is responsible for the Delta Regional Authority.

The National Office fully supports the Delaware and Mississippi State Offices' efforts to process and service these National grantees and intermediaries. Additionally, the National Office would appreciate all State Offices providing support to both the Delaware and Mississippi State Offices when such support is requested.

If you have any questions, please contact Melvin Padgett, Loan Specialist, Specialty Lenders Division (SLD), at 202-720-1495 or Kenneth Hennings, SLD, Branch Chief, at 202-690-3809.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

EXPIRATION DATE:
July 31, 2009

FILING INSTRUCTIONS:
Community/Business Programs

July 10, 2008

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Directors

The following interest rates, effective August 1, 2008, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	2.160%	2.460%

The new rate shown above is as of the week ending June 27, 2008. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield (http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_H15_TCMNOM_Y1.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Very-Low or Low	5.375	5.750
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EXPIRATION DATE:
August 31, 2008

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	5.875	6.250
Rural Housing Site (RH-524), Non-Self-Help	5.375	5.750
Rural Rental Housing and Rural Cooperative Housing	5.375	5.750

Please notify appropriate personnel of these rates.

(Signed by James C. Alsop) for

RUSSELL T. DAVIS
Administrator
Housing and Community Facilities Programs

Sent by electronic mail on 7/10/08 at 1:30 p.m. by PAD.
State Directors should advise other personnel as appropriate.

July 15, 2008

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Lender Ratings for the Certified Lender Program

The purpose of this unnumbered letter is to inform you that lender ratings previously provided by the LACE Lender Rating Service are no longer available. In reviewing available lender rating services, we decided that future ratings would be obtained from Bankrate, Inc., at the web page, http://www.bankrate.com/brm/safesound/ss_home.asp. Bankrate.com's Safe & Sound[®] service is a proprietary system designed to provide information on the relative financial strength and stability of U.S. commercial banks, savings institutions, and credit unions. The system employs a series of 22 tests to measure the capital adequacy, asset quality, profitability, and liquidity (CAEL) of each rated financial institution. Individual performance levels are determined from publicly available regulatory filings and are compared to asset-size peer norms, industry standards, and key absolute benchmarks. Combined results form the basis for the Composite CAEL and Star Ratings, which are described below. When possible, the system also produces a report that provides a detailed explanation of the findings for each rated financial institution.

Safe & Sound CAEL rating system		
Safe & Sound CAEL rating	Definition	Star rating
1	Superior	
2	Sound	
3	Performing	
4	Below peer group	
5	Lowest rated	
<u>No Report</u>	<u>Complete data not available</u>	<u>Not Rated "NR"</u>
Closed	Institution is closed	Closed
G	Designates high growth	--

EXPIRATION DATE:
July 31, 2009

FILING INSTRUCTIONS:
Community/Business Programs

The most desirable Safe & Sound CAEL rating is one; the least desirable is five, in accordance with industry standards. Bankrate.com has reversed this order in its graphic rankings for easy visual recognition. Accordingly, the top star rating is five; the lowest star rating is one. Performing institutions will generally receive a rating of three or more stars with the majority of financial institutions falling into the three- to four-star range. By contrast, the performing Safe & Sound CAEL range would be one, two, and three with the majority of financial institutions falling into the two range.

In addition to issuing a Safe & Sound CAEL rating for a financial institution, Bankrate.com also prepares a written report for each rated financial institution that has at least four quarters of historical financial data on file with the applicable federal regulatory agencies. This report includes: (i) an earnings analysis examining profitability, component contributions to current year results and prior year performance; (ii) a review of asset quality - focusing on nonperforming asset levels, loss reserve coverage, category risk and loan yield; (iii) an analysis of capital trends, adequacy, quality and durability, liquidity and interest rate risk; (iv) a summary of organizational information and historical financial data; and (v) a separate financial summary section, including a balance sheet and operating and ratio data. No report is available for financial institutions that do not have at least four quarters of historical financial data on file with the applicable federal regulatory agencies. Therefore, the lack of a report for a particular financial institution is not necessarily an indication of its financial strength or weakness – the financial institution may simply be too new for Bankrate to prepare a report.

RD Instruction 4279-A, section 4279.43(b)(4), requires Certified Lenders to have a financial strength rating in the upper half of possible ratings for participation in this program. Therefore, lenders with a CAEL rating of one or two qualify to be approved as a Certified Lender. As the Web site provides a lender rating tool free of charge on lenders nationwide and is available online, it will no longer be necessary to obtain the rating from the National Office. You may use this Web site's resources for future determinations of Certified Lender eligibility in order to satisfy this rating requirement. In addition to obtaining the rating, you should also print the written report and financial statements that are available from Bankrate, Inc.

If you have any questions, please feel free to contact Kenya Nicholas, Loan Specialist, Business and Industry Division, Processing Branch at kenya.nicholas@wdc.usda.gov, or (202) 720-1970.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

July 16, 2008

TO: State Directors
Rural Development

ATTN: Single Family Housing Program Directors

FROM: Philip H. Stetson
Acting Deputy Administrator
Single Family Housing

SUBJECT: Pooling of Fiscal Year (FY) 2008 Direct Loan and Grant Funds

At the close of business (COB) on July 17, 2008, all unobligated Section 502 Loan, Section 504 Loan, and Section 504 Grant funds will be pooled and placed in the National Office reserves. As previously indicated, the Administrator plans to hold some Direct funds after pooling to support the strong demand in the Guaranteed program. Although the amount to be held has not been finalized, we expect to have direct funding to distribute after pooling. This memo describes general criteria for determining redistribution of available pooled funds.

As of July 1st, the following balances remain unobligated.

502 Loan	\$250 million
504 Loan	\$14 million
504 Grant	\$5.0 million

On July 1st, EZ/EC earmarked funds became available for other purposes. Earmarked funds are included in the above totals. These funds are not sufficient to reallocate but will be included in any distributions after pooling.

Please be reminded that the "Pool Counties" are now eligible for Underserved funding. This funding may be requested on an individual case basis through the National Office Reserve Funds (NORF) system.

EXPIRATION DATE:
September 30, 2008

FILING INSTRUCTIONS:
Housing Programs

**POST POOLING NEEDS FOR SELF-HELP AND RURAL HOME LOAN
PARTNERSHIPS/COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS
FUNDS**

As in previous years, we are conducting a survey to determine what 502 set-aside funding will be required after this pooling. Please be as accurate as possible with your responses because this will directly affect the amounts available for allocation of program funds. This survey is located at <http://survey.sc.egov.usda.gov/survey.aspx?surveykey=10>.

Because we anticipate a significant need for these funds, it is very important that your estimates be as realistic and timely as possible. Survey results will be collected the morning of July 18 and may be updated as needed until the survey instrument is closed.

SECTION 502 DIRECT LOAN FUNDS

We anticipate that a significant portion of the remaining funds will be needed to fill commitments for Self Help and RHLP/CDFI loans. Based on this, the amounts available for re-distribution are expected to be very limited.

In years past, we have re-allocated pooled funds based on the formula allocation. This year, we anticipate that funds will be made available administratively. Further details will be provided once we have reviewed the data from the above-mentioned survey.

SECTION 504 LOANS

Section 504 loan funds will be pooled and should be available through the remainder of the fiscal year. Please contact Nica Mathes (202) 205-3656 if additional funds are needed.

SECTION 504 GRANTS

Due to the limited unobligated Section 504 grant funds, each State will receive a small amount for extreme hardships. The exact amount will be determined at the time of pooling.

RE-POOLING

At COB, September 11, 2008, any unobligated Direct Section 502 or 504 loan and grant funds will be repooled. Additional instructions will be provided at that time.

Attachment

Attachment A

FIELD OFFICE POOLING QUICK TIPS

Below are a few helpful tips that can be used during Pooling to assist with Obligations/De-obligations. If you have any questions, Field Support Services will be available until 5:00pm central time. **Reminder: uploads occur twice a day, 10:00AM and 4:00PM central time. Uploads normally take between one to two hours before the information appears in MortgageServ.**

UNIFI SCREENS

The completion of these screens is necessary for the application to be uploaded to MortgageServ:

- All the Prequalification Screens (Pre-qual Menu)
- Registration Screen and New Application Additional Setup Screens (Application Menu)
- Property Information and Purpose of Loan Screen (Processing Menu)

Remember when exiting the application, select 'File' from the menu bar, then select 'Close Application'. If this is not completed properly, the file will not be included in the UniFI Upload.

PROGRAM TYPE CODE (PTC) CHANGES

1. If the loan has not been obligated, and the PTC needs to be changed, complete the following:
 - Change PTC in Unifi.
 - Wait for upload*
 - Obligate under the correct PTC
2. If the loan has been obligated, and the PTC needs to be changed, complete the following:
 - Change the PTC in Unifi
 - Wait for upload*
 - De-obligate funds under the incorrect PTC
 - Re-obligate fund under the correct PTC
3. If a disbursement has been made and the PTC needs to be changed, please fax a request for changes to Patrick Craine at 314-206-2766.

A change in borrower income AFTER loan approval/obligation does NOT require a change in income classification/program type code as long as the obligation was correct and valid at the time.

**FIELD OFFICE
POOLING QUICK TIPS**

LOAN/GRANT AMOUNT CHANGES

1. If an obligation amount needs to be decreased, and no disbursements have been made, complete a partial de-obligation. If a disbursement has been made, complete Form 1940-10 and fax to Patrick Craine at 314-206-2766.
2. If an obligation amount needs to be increased, and no disbursement has been made, complete the following:
 - Change the loan amount in Unifi
 - Wait for the upload*
 - De-obligate incorrect loan amount
 - Re-obligate correct loan amount

If a disbursement has been made, one of two things can be done. First, the funds can be retrieved from the closing agent's account, then have the disbursement cancelled, and last follow the steps listed to increase the loan amount. The other option is to create a subsequent loan for the difference between the two loan amounts.

***If there is not sufficient time to wait for the upload, contact Field Support Services at 314-206-2060.**

July 21, 2008

SUBJECT: Department GovTrip Data Call Response

TO: Rural Development State Directors

ATTN: Administrative Program Directors

I would like to take this opportunity to personally thank the Administrative Program Directors and any other staff members for all their hard work toward the timely submission of data to the National Office, Travel Unit for the Department's data call for GovTrip. The National Office, Travel Unit received a data call from the Department requesting that Rural Development provide data on each employee who currently maintains a FedTraveler account. The request required the manual input of information for several data fields for each employee. Your very timely responses made it possible for Rural Development to meet the Department's June 20, 2008, deadline.

During the June 12, 2008, webinar, several Administrative Program Directors stated that they would not be able to meet the June 20th deadline, due to the amount of data that was requested and the time they had to complete the task. This request was voluminous and I want to commend the Administrative Program Directors for working diligently to meet this deadline.

On July 2, 2008, the Northrop Grumman staff stated the detailed organization routing structures and profiles for all State Offices will be uploaded into the GovTrip system on July 11th. In order to accommodate State Office staff who may need to travel, temporary default routing structures were developed.

EXPIRATION DATE:
July 31, 2009

FILING INSTRUCTIONS:
Administrative/Other Programs

While I hope we do not have too many more projects like this, but if we do, I just know you will deliver. Again, I want to thank you for all your efforts that made it possible for Rural Development to meet the deadline imposed by the Department for the submission of the GovTrip data.

(Signed by Clyde Thompson)

CLYDE THOMPSON
Deputy Administrator
for Operations and Management

Sent by electronic mail on 7/22/08 at 3:00 p.m. by PAS.
State Directors should notify other personnel as appropriate.

July 21, 2008

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Intermediary Relending Program
Third Quarter Funding
Fiscal Year 2008

The fiscal year (FY) 2008 third quarter funding selections for the Intermediary Relending Program non-earmarked funds are listed below for your information. The priority points for each project are inclusive of any Administrator points that were awarded. The selections are as follows:

State	Project Name	Amount	Priority Points
WPAC	Pacific Islands Development Bank	\$ 750,000	174
MA	RCAP Solutions Financial Services, Inc.	\$ 500,000	173
ND	Community Works North Dakota	\$ 750,000	164
SD	Lake Area Improvement Corporation	\$ 750,000	162
OR	Northeast Oregon Business Development	\$ 485,000	150
CA	Sierra Economic Development Corporation	\$ 725,989	146
Total		\$ 3,960,989	

Please provide appropriate notification to applicants that did not receive an allocation. Applications that have been considered for an allocation of funds in four quarterly funding cycles will not receive further consideration, in accordance with RD Instruction 4274-D, section 4274.344(b). Applications that have been considered in less than four quarterly funding cycles will be considered again next quarter.

EXPIRATION DATE:
September 30, 2008

FILING INSTRUCTIONS:
Community/Business Programs

Intermediary Relending Program

2

Any revisions in priority scoresheets that are intended for consideration in the funding cycle for fourth quarter of FY 2008 must be received in the National Office **by July 31, 2008.**

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

July 24, 2008

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Rural Economic Development Loan and Grant Program
Projects Funded for Third Quarter
Fiscal Year 2008

Business Programs has announced loan and grant selections for the third quarter of fiscal year (FY) 2008 under the Rural Economic Development Loan and Grant program. A listing of loan and grant awards are attached for your information.

During the third quarter of FY 2008, 37 zero-interest loan applications totaling \$20,373,200 were considered by Business Programs. Based on the availability of funds, 10 applications with scores of 145 or above were selected for funding, totaling \$6,172,200. These funds will be leveraged by \$15,007,625 of private and public financing, and directly create 408 jobs in rural areas and help save 193 existing positions.

In addition to the loan selections, four grants with scores of 70 or above, totaling \$1,200,000, to finance revolving loan fund programs that will be operated by rural electric utilities were selected for funding. The initial zero-interest loans from the revolving loan fund programs, leveraged by \$10,832,271 in private and public financing, will provide financing for expansion of a nursing home; construct a public charter school; construction of an Alzheimer Care Center; purchase a fire vehicle; and construct a new township hall. An estimated 48 new jobs will be created and 82 jobs will be saved as a result of these grants.

EXPIRATION DATE:
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FILING INSTRUCTIONS:
Community/Business Programs

If you have any questions, please contact Melvin Padgett, Loan Specialist, at (202) 720-1495 or Cindy Mason, Loan Specialist, at (202) 690-1433, Specialty Lenders Division, Processing Branch.

(Signed by William F. Hagy)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

Attachments

Attachment

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR LOAN FUNDS – Third Quarter FY 2008**

Total Available FY 2008	\$
33,120,656.53	
Less 1 st and 2 nd Quarters FY 2008	\$
23,180,200.00	
Less 3 rd Quarter FY 2008	
<u>6,172,200.00</u>	
Balance Remaining	\$
3,768,256.53	

<u>State</u>	<u>Project</u>	<u>Loan Amount</u>	<u>REDL Number</u>
IA 104	Lenox Municipal Utilities	\$ 740,000	1159
MS 40	Southern Pine Electric Power Association	\$ 740,000	1160
MO 23	Lewis County Rural Electric Cooperative Association	\$ 575,000	1161
IL 54	Eastern Illini Electric Cooperative	\$ 740,000	1162
IA 83	Central Iowa Power Cooperative (CIPCO)	\$ 740,000	1163
NC 31	Roanoke Electric Cooperative	\$ 350,000	1164
NC 59	Tideland Electric Membership Corporation	\$ 740,000	1165
GA 86	Three Notch Electric Membership Corporation	\$ 740,000	1166
KS 40	Leavenworth-Jefferson Electric Cooperative, Inc.	\$ 307,200	1167
ND 50	Northern Plains Electric Cooperative	\$ 500,000	1168

10 Loans	Total	\$6,172,200.00
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Balance of Loan Funds After Above Request:	\$3,768.256.53
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Attachment

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR GRANT FUNDS – Third Quarter FY 2008**

Total Available FY 2008	\$10,000,000
Less 1 st and 2 nd Quarters FY 2008	\$ 6,826,960
Less 3 rd Quarter FY 2008	\$ <u>1,200,000</u>
Balance Remaining	\$ 1,973,040

State	Project	Grant Amount	REDG Number
IL 54	Eastern Illini Electric Cooperative	\$ 300,000	433
HI 01	Kaua'i Island Utility Cooperative	\$ 300,000	434
WY 06	Wyrulec Company	\$ 300,000	435
MN 37	Federated Rural Electric Association	\$ 300,000	436

4 Grants	Total	\$1,200,000
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Balance of Grant Funds After Above Request:	\$1,973,040
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July 24, 2008

TO: State Directors, Rural Development

ATTENTION: Business Programs Directors

SUBJECT: Rural Business Opportunity Grant Program
National Office Reserve
Fiscal Year 2008 Funding Selections

We have recently completed the funding cycle for the National Office Reserve. There was \$870,738.17 available for this cycle. There were 88 requests for funds received totaling \$4,645,462. We are pleased to announce that the following requests were selected for a funding total of \$870,738 with scores at or above 105.

<u>State</u>	<u>Applicant</u>	<u>Amount</u>
GA	RiverWay South/Voyage of Discovery, Inc.	\$150,000
IA	Grow Iowa Foundation, Inc.	\$ 50,000
PA	Starting-Gate	\$ 50,000
KY	Kentucky Highlands Investment Corporation	\$ 50,000
NC	Montgomery Economic Development Corporation	\$ 50,000
ID	Lemhi County Economic Development Association	\$ 57,000
AR	Southern Financial Partners	\$ 50,000
CA	Merced County Economic Development Corporation	\$ 50,000
IA	Iowa State University of Science & Technology, North Central Regional Center for Rural Development	\$149,738
KS	Neosho County Community College	\$ 50,000
MO	Missouri Forest Products Association	\$ 50,000
NH	Northern Community Investment Corporation (NCIC)	\$ 49,000
OR	Umatilla County	\$ 50,000
VT	Barre Area Development Corporation (BADC)	<u>\$ 15,000</u>
Total		14 \$870,738

EXPIRATION DATE:
September 30, 2008

FILING INSTRUCTIONS:
Community/Business Programs

All applications remaining on the National Office Reserve list will be removed. Your efforts and continued support for the Rural Business Opportunity Grant program is appreciated.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

July 25, 2008

SUBJECT: Federal Competency Assessment Tool for Human Resources Professionals

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers
Chief, Human Resources Programs Branch
Chief, Headquarter Personnel Services Branch
Chief, Field Services Branch

FROM: Clyde Thompson (*Signed by Clyde Thompson*)
Deputy Administrator
Operations and Management

The Office of Human Capital Management is participating in the Federal Competency Assessment Tool for Human Resources (FCAT-HR) to determine what skill gaps exist in the Human Resources series in the United States Department of Agriculture (USDA). The Human Resources Specialist plays a crucial role in advancing strategic human capital management in the agency and the Federal Government. All USDA employees in the 0201 series, and their supervisors, are required to complete the assessment. This year, FCAT-HR assesses an additional six competencies with a focus on the future role of Human Resources Specialists to move from transactional activities to consulting and customer support services. The assessment tool for Rural Development is available now and must be completed by **August 4, 2008**.

Target Population: GS-201 HR Specialists and Supervisors

All employees in the 0201 series, including supervisors, are expected to complete the competency assessment. Supervisors who need to complete an evaluation of their subordinates

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will receive log-in instructions via e-mail from FCATHR@opm.gov. Self-assessment results are confidential and accessible only by the individual employee taking the self-assessment.

Supervisors will not have access to employee self-assessments, but rather only his/her supervisory evaluation. Similarly, an employee will not be able to view his/her supervisor's evaluation; however, the employee will have access to the supervisor's assessment of the position.

FCAT-HR Instructions

Human Resources Specialists taking the self-assessment must first complete the registration process. You are encouraged to complete the optional as well as the mandatory information to assist us for planning purposes. Attachment 1 contains detailed self-assessment instructions. The website address to access the FCAT-HR Tool is <https://fcat.opm.gov>. We encourage participants to complete their self-assessment within the next week to allow their supervisor ample time to complete the supervisory evaluations. Both the self-assessment and the supervisory evaluation should take approximately 15 minutes to complete. The FCAT-HR tool permits employees who have completed self-assessments to prompt their supervisors to complete evaluations by entering the name and e-mail address of their supervisor. The assessment tool for Rural Development is available now and must be completed by **August 4, 2008**.

I appreciate your cooperation in making this assessment a success. Agency participation will be monitored throughout the process and periodic reports will be shared with senior managers. However, it is critical that all managers assist in the monitoring process by communicating frequently with their subordinate supervisors to verify employee and supervisory participation.

If you have any questions, please contact Kimm Slayton, Human Resources Specialist, at 202-692-0236, or via e-mail at Kimm.Slayton@wdc.usda.gov.

Attachment

Sent by electronic mail on July 29, 2008, at 11:15 a.m., by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

FCAT–HR Registration and Individual Self Assessment Instructions

- 1) To access the FCAT-HR and begin the registration process, visit <https://fcat.opm.gov>
- 2) Click on **FCAT-HR** to access the FCAT-HR website, then click on **Self-Register for a new FCAT-HR Account**.
- 3) Provide all information for the **Registration Page**, Step 1 – **Profile Information**:
 - a) email address;
 - b) password and reconfirm password;
 - c) First Name, Middle Initial, Last Name
 - d) Agency/Department – select Department of Agriculture
 Once you enter the Department of Agriculture, the screen will refresh. An option to enter an Access Code will appear on the screen. The password is usda (lowercase letters). This will give access to the list of USDA organizations.
 - e) Bureau/Agency – select the appropriate agency designation drop down box based on the following table:

Rural Development-BS	Rural Business - National Office employees
Rural Development-HS	Rural Housing – National office employees; CSC employees
Rural Development-HS Eastern	MI - IN - OH - KY - GA - FL- VI - WV - SC - NC VA -MD – DE -NJ- CT- RI - PA - NY -MA - VT NH - ME - PR
Rural Development-HS Pacific	WA - OR - NV - CA - AL - HI
Rural Development-HS Mountain	AZ - MT - ID - WY - UT - CO - NM
Rural Development-HS Central	ND - SD - MN - MS - NE – KS- OK - TX - MN IA- MO - AR - LA - WI - IL - TN - AL
Rural Development-OM	Operations & Management National Office; St. Louis employees
Rural Development-US	Rural Utilities National Office employees

- f) Work Role – select from the proper designation from the drop down box;
- g) Primary Specialty Area – select your primary HR specialty from the drop down list;
- h) Percentage of time spent – select the percentage of time spent performing task related to your primary specialty area;
- i) Secondary Specialty Area – select your secondary HR specialty from the drop down list;
- j) Percentage of time spent – select the percentage of time spent performing task related to your secondary specialty area;
- k) Occupational Group/Family – select your appropriate series information from the drop down list;
- l) Pay Plan – select your pay plan information
- m) Grade – Select your appropriate grade level; and
- n) Click **Next** at the bottom of the page.

- 4) Fill in all information for the **Registration Page**, Step 2 – **Profile information**:
- a) Work Address;
 - b) City;
 - c) State – select from the drop down box;
 - d) Zip;
 - e) Country – e.g. United States or other location;
 - f) Phone number (Work) – enter your ten digit telephone number in this format: 202XXXXXX – no spaces or other punctuation; and
 - g) Click **Next** at the bottom of the page.
- 5) Fill in all information for the **Registration Page**, Step 3 – **Profile information**.
- a) Highest Level of Education – select from drop down box.
 - b) Professional Service – When estimating how many years of professional service, include time spent in government, military, and private sector service in a similar role (e.g., executive or manager), select appropriate range from grouping from the drop down box.
 - c) Government Service - When estimating how many total years of government service, include both civilian and military experience, appropriate range from grouping from the drop down box.
 - d) Projected Retirement – select appropriate range from grouping from the drop down box.
 - e) Click **Next** at the bottom of the page.
- 6) The next screen is the **FCAT-HR Assessment Home Page**.

The Federal Competency Assessment Tool – Human Resources (FCAT-HR) allows you to conduct a self assessment of the 19 Chief Human Capital Officers competencies and 3 performance management competencies. Each competency is provided with a definition and proficiency (1-5 point) scale. Please select 0 if the competency does not apply to you.

You may save your assessment at any time by clicking the 'Update' button on the assessment screen. You may also log in at any point in the future to update your assessment.

- a) Click on the link “**Click here to begin your self assessment.**” You will be taken to the assessment. Please answer all questions using the 5-point scale, including performance management.
 - b) Click the **Update button at the bottom of the page to save your information. (Do not click the Back button before you update or you will lose your information.)**
 - c) You will be returned to the FCAT-HR Home Page.
- 7) From the FCAT-HR Assessment Home Page click the “**Request a Supervisor Assessment**” button.
- a) Fill in **Supervisor’s Email Address and Supervisor’s Name** fields.
 - b) Click the **Email Request button when finished**.
 - c) You will be returned to the FCAT-HR Home Page.
NOTE: Check the "Update Previous Evaluation" box if you want to update any previous input.

8) From the FCAT-HR Assessment Home Page you will be able to print your self-assessment for your records.

- a.) Click on the link **“Click here to print your assessment report.”**
- b.) To **Print** select **File, Print from your browser menu**
- c.) You may use your browser’s **Back button to return to the main menu.**

Congratulations! You have completed the assessment process. You may now sign out. From the FCAT-HR Assessment Home Page, click the “Sign Out” link in the upper left hand corner of the screen in the FCAT-HR Menu box or the “Sign Out” link in the upper right.

July 25, 2008

SUBJECT: Leadership Assessment

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Clyde Thompson (*Signed by Clyde Thompson*)
Deputy Administrator
Operations and Management

On July 1, 2008, Mr. Boyd K. Rutherford, Assistant Secretary for Administration, announced the Department of Agriculture's (USDA) participation in the government-wide assessment of leadership and performance management competencies supported by the Office of Personnel Management (OPM). Last year, over 7,000 USDA managers and supervisors participated in the assessment, and this year, USDA will again join other Federal agencies in re-evaluating managers' and supervisors' leadership and performance management competencies to determine whether improvements were made since last year's assessment. The leadership competency assessment is a web-based tool called the Federal Competency Assessment Tool – Management (FCAT-M). The assessment tool for Rural Development is available now and must be completed by **August 4, 2008**.

Purpose of the FCAT-M

The leadership assessment initiative is part of USDA's effort to support succession planning activities by determining the skill levels of individuals in leadership roles. The aggregate data

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from the leadership competency assessment results will provide us with the strength and developmental needs of this cadre across an array of leadership and performance management competencies. In addition, the results of the assessment will enable participants to identify individual competency strengths and areas for growth.

Target Population: Supervisors and Managers

All full-time, permanent, general schedule (GS), and senior executive service employees (GS-13 and above, including senior level (SL) employees) with official supervisory duties should complete the assessment, and GS-12 leaders identified with supervisory duties may also complete the assessment. If a political appointee supervises leaders within this target population, he/she will also participate by only completing the supervisory evaluation and not the self-assessment. Individual self assessment and supervisory results will be accessible only to the individual taking the self assessment.

FCAT-M Instructions

The two-level assessment allows the employee to assess him/herself followed by a supervisory evaluation of the employee's skill level. We encourage participants to complete their self-assessment within the next week to allow their supervisor ample time to complete the supervisory evaluations. Both the self-assessment and supervisory evaluation should take approximately 15 minutes to complete. The website address to access the FCAT-M Tool is <https://fcat.opm.gov>. The assessment and evaluation are confidential and will only be accessible to the participant. You are also encouraged to provide the optional as well as the mandatory information for future planning. A copy of the individual assessment and supervisor assessment instructions is attached.

I appreciate your participation in last year's leadership assessment, and I know I can count on your full cooperation to make this year's assessment an even greater success. The Assistant Administrator for Human Resources, Allen Hatcher, will be monitoring agency participation throughout the process and generate periodic reports with aggregate data on the results that will be shared with senior managers.

If you have any questions, please contact Kimm Slayton, Human Resources Specialist, at 202-692-0236, or via e-mail at Kimm.Slayton@wdc.usda.gov.

Attachments

Sent by electronic mail on July 29, 2008, at 11:15 a.m., by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

FCAT–M Registration and Individual Self Assessment Instructions

- 3) To access the FCAT-M and begin the registration process, visit <https://fcat.opm.gov>
- 4) Click on **FCAT-M** to access the FCAT-M website, then click on **Self-Register for a new FCAT-M Account**.

- 3) Provide all information for the **Registration Page**, Step 1 – **Profile Information**:

- a) email address;
- b) password and reconfirm password;
- c) First Name, Middle Initial, Last Name
- d) Work Role – select the proper designation from the drop down box;
- e) Agency/Department – select Department of Agriculture

Once you enter the Department of Agriculture, the screen will refresh. An option to enter an Access Code will appear on the screen. The code is usda (in all lowercase letters).

This will give access to the list of USDA organizations.

- f) Bureau/Agency – select the appropriate agency designation drop down box based on the following table:

Rural Development-BS	Rural Business - National Office employees
Rural Development-HS	Rural Housing – National office employees; CSC employees
Rural Development-HS Eastern	MI - IN - OH - KY - GA - FL- VI - WV - SC - NC VA -MD – DE -NJ- CT- RI - PA - NY -MA - VT NH - ME - PR
Rural Development-HS Pacific	WA - OR - NV - CA - AL - HI
Rural Development-HS Mountain	AZ - MT - ID - WY - UT - CO - NM
Rural Development-HS Central	ND - SD - MN - MS - NE – KS- OK - TX - MN IA- MO - AR - LA - WI - IL - TN - AL
Rural Development-OM	Operations & Management National Office; St. Louis employees
Rural Development-US	Rural Utilities National Office employees

- g) Occupational Group/Family – select your appropriate series information from the drop down list;
 - h) Pay Plan – select your pay plan information, such as GS or ES;
 - i) Grade – Select your appropriate grade level or other designation; and
 - j) Click **Next** at the bottom of the page.
- 4) Fill in all information for the **Registration Page**, Step 2 – **Profile information**:
 - a) Work Address;
 - b) City;
 - c) State – select from the drop down box;
 - d) Zip;
 - e) Country – e.g. United States or other location;

- f) Phone number (Work) – enter your ten digit telephone number in this format: 202XXXXXX – no spaces or other punctuation; and
 - g) Click **Next** at the bottom of the page.
- 9) Fill in all information for the **Registration Page**, Step 3 – **Profile information**.
- a) Highest Level of Education – select from drop down box.
 - b) Professional Service – When estimating how many years of professional service, include time spent in government, military, and private sector service in a similar role (e.g., executive or manager), select appropriate range from grouping from the drop down box.
 - c) Government Service - When estimating how many total years of government service, include both civilian and military experience, appropriate range from grouping from the drop down box.
 - d) Projected Retirement – select appropriate range from grouping from the drop down box.
 - e) Click **Next** at the bottom of the page.
- 6) Fill in all information for the **Registration Page**, Step 4 – **Profile information**.
- a) Which set of competencies would you like to assess?
Select **FULL SET (LEADERSHIP AND PERFORMANCE MANAGEMENT)**
 - b) Click **Next** at the bottom of the page.
- 7) The next screen is the **FCAT-M Assessment Home Page**.

The Federal Competency Assessment Tool - Management (FCAT-M) allows you to conduct a self assessment of your current proficiency on the U.S. Office of Personnel Management Leadership and/or Performance Management Competencies (depending on what you selected during registration). Each competency is provided with a definition and proficiency (1-5 point) scale. Please select 0 if the competency does not apply to you.

You may save your assessment at any time by clicking the 'Update' button on the assessment screen. You may also log in at any point in the future to update your assessment.

- d) Click on the link “**Click here to begin your self assessment.**” You will be taken to the assessment. Please answer all questions using the 5-point scale, including performance management.
 - e) Click the **Update button at the bottom of the page to save your information. (Do not click the Back button before you update or you will lose your information.)**
 - f) You will be returned to the FCAT-M Home Page.
- 8) From the FCAT-M Assessment Home Page click the “**Request a Supervisor Assessment**” button.
- d) Fill in Supervisor’s Email Address and Supervisor’s Name fields.
 - e) Click the **Email Request button when finished**.
 - f) You will be returned to the FCAT-M Home Page.
NOTE: Check the "Update Previous Evaluation" box if you want to update any previous input.

9) From the FCAT-M Assessment Home Page you will be able to print your self-assessment for your records.

- a) Click on the link **"Click here to print your assessment report."**
- b) To **Print** select **File, Print from your browser menu**
- c) You may use your browser's **Back button to return to the main menu.**

10) Congratulations! You have completed the assessment process. **You may now sign out. From the FCAT-M Assessment Home Page, click the "Sign Out" link in the upper left hand corner of the screen in the FCAT-M Menu box or the "Sign Out" link in the upper right.**

**FCAT-M
Supervisory Evaluation Instructions**

- 1) You will receive an email message from **FCAT-M@opm.gov** asking you to complete an evaluation.
- 2) Follow the login in instructions carefully.
- 3) Click the **Go to Competency Assessment Form** link on the left under Options.
- 4) Select and **complete assessments on both** the
 - a.) Current Proficiency (what level the employee is currently); and
 - b.) Desired Proficiency (what levels are required for the **position**).

Each proficiency level includes a definition that can be accessed by clicking the icon next to the proficiency level. Use the descriptions to guide your selection of the proficiency level of the individual.

- 5) If the competency is not required for the assessed employee's job, leave the rating as "0" – Not Needed.
- 6) Once completed with assessing current proficiencies, click the **Update** button at the bottom of the screen.
- 7) Click the **Send Complete Message to Employee** link on the left under Options. This will inform the assessed employee that your assessment is complete.

The employee will not have access to your assessment. You are encouraged to discuss your assessment with the employee to ensure understanding of the areas required for development and improvement.

- 8) Printing report. Click on **Print Report of your Feedback** link. Select File > Print from your browser. Now click on "Back" at the top right under the red bar.
- 9) Once you have completed your feedback and printing, click the **"Sign Out"** link (left column) and close your browser.

July 30, 2008

SUBJECT: 2008 Fiscal Year Performance Appraisal Rating Period and Performance Awards

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors
Human Resources Managers

FROM: Allen Hatcher (*Signed by Allen Hatcher*)
Assistant Administrator
Human Resources

The performance appraisal rating period for all Rural Development employees ends on **September 30, 2008**. Supervisors are required to review the performance of each employee based on their performance elements and standards and prepare an annual summary rating. However, completed performance plans should be signed by the supervisor and reviewing official before communicating the results to the employee. Summary ratings should be completed and communicated to employees no later than 30 days of the end of the appraisal period, and original performance plans submitted to your respective Human Resources Office by **November 3, 2008**. Please do not send copies or duplicates. For employees who require extended ratings, provide a list indicating the date their appraisal period will end. For example, *“John Doe – entered position on August 22, 2008, and will not meet the minimum 90-day appraisal period on September 30, 2008; therefore, the appraisal period is extended to November 22, 2008.”*

For the National Office, performance plans should be submitted as a group from each Assistant Administrator instead of random submissions. This will ensure consistency for receiving and

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processing performance plans. Please submit your appraisals to Headquarters Personnel Services Branch, Room 1300, South Building, Stop 0730, Washington, D.C. 20250-0730.

Attachment 1 provides guidance for managers and supervisors regarding some of their performance management responsibilities and can be found in Rural Development Instruction 2060-A, "Performance Ratings."

Processing of Fiscal Year 2008 Performance Awards:

All performance award recommendations for employees at all levels must be tied to the mission area's strategic plan by clearly stating how the employee contributed to achieving its mission, goals, and objectives within the mission area. Attachment 2 contains additional awards guidance that can be found in Rural Development Instruction 2063-B, "Recognition Program."

Fiscal Year 2009 Performance Cycle:

Performance plans for the **2009** Fiscal Year must be established within 30 days of the new appraisal period. All performance plans must display characteristics of strategic alignment, results-focused elements and standards, balanced credible measures of performance, and provide distinctions in levels of performance.

In Fiscal Year 2007, you completed the performance training course "Continuous Performance Assessment (MGMT 0341)," which was designed to change the appraisal process into a positive experience for both managers and employees by emphasizing ongoing communication. The second course, "Reviewing Performance (MGMT 0342)," will be added to your learning plan in AgLearn by the Human Resources Training Division. It is designed to assist you in the performance appraisal discussion, how to manage difficult appraisals, and develop better employee performance. To meet Departmental training needs and developmental requirements, you are required to complete this course by **October 30, 2008**.

For policy questions regarding performance, contact Kimm Slayton, Human Resources Specialist, at (202) 692-0236 or via email at Kimm.Slayton@wdc.usda.gov. For policy questions regarding awards, contact Denise Johnson, Human Resources Specialist, at (202) 692-0223 or via email at Denise.Johnson@wdc.usda.gov.

Attachment

Sent by electronic mail on 07/31/2008, at 1:30 p.m., by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

Managers and supervisors are responsible for:

- Reviewing the performance of every employee based on previously communicated performance elements and standards;
- Preparing the annual summary rating;
- Refraining from using any pre-determined distribution system;
- Appraising each performance element as either “exceeds fully successful,” “meets fully successful,” or “does not meet fully successful,” and including documentation for each critical element assigned “exceeds fully successful” or “does not meet fully successful.” The documentation must clearly and specifically show how the employee’s performance exceeded or failed to meet the fully successful standard;
- Referring summary ratings to the reviewing official for approval before discussing with the employee; and
- Discussing the rating with the employee and either obtaining the employee’s signature or documenting the employee’s declination to sign the performance plan.

An employee who does not attain a “meets fully successful,” rating on one or more critical elements will receive a summary rating of “unacceptable.” The rating official must provide a written explanation describing the specific areas in which the employee has failed to achieve critical results, and contact the servicing employee relations specialist for guidance prior to issuing the rating to the employee. If an employee has worked under a different supervisor during the appraisal period of 90 days or more, he/she should prepare an interim rating and forward it for appropriate consideration to the new supervisor.

Rural Development's employee recognition program is designed to recognize and reward individuals for excellence in service. It is important for managers and supervisors to fairly and equitably consider all employees when recognizing them for their efforts. Non-monetary recognition, such as a time-off award, is also available for rewarding an employee for a job well done. An employee who receives a "Fully Successful" or better is eligible for monetary or non-monetary recognition. Specific criteria regarding performance bonus awards are in Rural Development's Instruction 2063.65 (b), "Recognition Program."

- Performance bonus awards are based upon an employee's rating of record, recognizing the employee's demonstrated exceptional performance in his/her normal day-to-day duties and exceptional performance throughout the rating cycle. The two types of performance bonus awards are:
 - Quality step increase (QSI) – to be considered for a QSI, an employee must receive an "Outstanding" rating; the observed performance covered a period of at least 6 months, and is likely that this performance will continue in the future. Use Nature of Action Code (NOA) "892 – Irregular Performance Pay."
 - Lump sum bonus – an employee must receive a "Fully Successful" rating or better. Use Nature of Action Code (NOA) "840 – Individual Cash Award Rating Based." This award should be based on the benefits to the Government and not the employee's salary.
- Non-monetary recognition (time-off award) is typically given based upon a specific outstanding accomplishment such as a superior contribution and may also be given for recognition of demonstrated exceptional performance. Time-off awards must be proportionate to the value of the contribution being recognized, may be granted for up to 80 hours per leave year (no single award should exceed 40 hours), and must be used within 26 pay periods after the effective date of the award. Any unused time-off will be forfeited.

Recommendations for a QSI, lump sum bonus, or time-off award must be accompanied by a properly documented performance appraisal, and cannot be submitted to Human Resources later than 60 to 90 days of the end of the rating cycle.

All award recommendations should be completed with written justifications, a valid accounting code, and must have the signature of a recommending and approving official. Please keep in mind that managers may require other levels of review within their organization. For the National Office and St. Louis, a copy of AD-287-2, "Recommendation and Approval of Award," will be returned to each recommending official after Human Resources approves the award recommendations. **Please do not inform employees that they have been recommended for an award until all necessary approvals of the AD-287-2 have been obtained.**